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ON PAGE A-16

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Honolulu Firm Claims Ties to CIA

Investment Official Guilty in Fraud

By Howard Kurtz
Washington Post Staff Writer

The president of a bankrupt Hawaii investment firm that claims to have had extensive ties to the CIA has pleaded guilty to charges that he defrauded investors of more than \$21 million.

A federal grand jury in Honolulu Thursday indicted Sunlin L.S. Wong, 35, for mail fraud and securities fraud, according to U.S. Attorney Daniel Bent. A few hours later, Wong entered a guilty plea.

Among other things, the indictment charged that Wong's firm, Bishop, Baldwin, Rewald, Dillingham & Wong, falsely told investors that it "gave business advice to the U.S. Senate, House of Representatives, White House, ex-presidents and Saudi Arabian princes."

The firm's collapse gained widespread attention when Wong's partner, Ronald R. Rewald, sued the CIA, contending that he was a covert agent, that he established the firm at the agency's direction and that some of its subsidiaries were "used com-

pletely and exclusively for CIA covert operations."

CIA officials have said the agency had only "a slight involvement" with the company and did not direct its operations.

Wong, who faces up to 10 years in prison and \$11,000 in fines, pleaded guilty in exchange for immunity from further prosecution. Law enforcement sources said he has agreed to cooperate in the continuing investigation of Rewald's activities.

Rewald has been charged by the Securities and Exchange Commission and Honolulu authorities with defrauding investors. The sources said federal prosecutors believe that Wong's guilty plea confirms that Bishop, Baldwin was an elaborate fraud scheme.

The Wong indictment said that Bishop, Baldwin "gave the appearance of substantial investment activity" while investing only \$630,000 of nearly \$22 million in clients' money. The indictment charged that \$21.3 million of investors' funds was used to perpetuate the scheme and

"to maintain Rewald in an exceptionally lavish life style."

Bishop, Baldwin officials falsely told investors that the firm had been in Hawaii for 20 years, that they would receive a 20 percent return on their money, that the federal government was insuring investments of up to \$150,000 and that there was a two-year waiting list of potential clients, according to the indictment.

Some investors, who included several former CIA agents and retired military officers, have charged in lawsuits against the CIA that the agency shared responsibility for the bankruptcy. Attorneys for the investors have said they will produce evidence of extensive CIA involvement with Bishop, Baldwin.

Rewald charged in his suit that the CIA "established an operating budget for Bishop, Baldwin of several million dollars, and the agency used Bishop, Baldwin checking accounts and reimbursed Bishop, Baldwin and its agents and employees [for] their expenses for agency work"